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Counsel for The Original Mowbray's Tree Service,
Inc., the Debtor and Debtor-In-Possession

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
SANTA ANA DIVISION

In re:

THE ORIGINAL MOWBRAY'S TREE
SERVICE, INC.,

Debtor and Debtor-in-Possession.

Case No: 8:24-bk-12674-TA

Chapter 11

CHAPTER 11 STATUS REPORT

**Status Conference (Via Zoom for
Government):**

Date: March 13, 2025

Time: 10:00 a.m.

Ctrm: 5B

411 West Fourth Street

Santa Ana, CA 92701

**TO THE HONORABLE THEODOR C. ALBERT, UNITED STATES BANKRUPTCY
JUDGE:**

The Original Mowbray's Tree Service, Inc., the debtor and debtor-in-possession in the
above-captioned case (the "**Debtor**"), hereby submits this chapter 11 status report. This status
report is intended to update the Court on matters since the prior status conference on
December 4, 2024.

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1 **I. GENERAL BACKGROUND**

2 On October 18, 2024 (the "**Petition Date**"), the Debtor filed a voluntary chapter 11
3 petition. The Debtor provides vegetation management services that include, without
4 limitation, manual and mechanical clearing, integrated vegetation management, storm and
5 emergency, right-of-way maintenance, and high-hazard tree removal and crane services
6 (collectively, "**Vegetation Management Services**"). Historically, utility companies have been
7 the Debtor's primary clients, including California's largest energy utility, PG&E, as well as
8 Southern California Edison. The Debtor also provides services to governmental agencies and
9 cooperatives.

10 The Debtor is based in California and provides Vegetation Management Services
11 throughout the state. The Debtor also provides services in Florida and North Carolina. The
12 Debtor's work outside of California included assistance with the disaster relief efforts in
13 response to Tropical Storm Helene and Hurricane Milton.

14 Prior to the Petition Date, the Debtor retained Brian Weiss of Force Ten Partners, LLC,
15 as its Chief Restructuring Officer ("**CRO**") to lead the Debtor through its formal restructuring
16 process, including this case.

17
18 **II. THE DEBTOR'S DISCLOSURE STATEMENT AND PLAN**

19 By order entered on December 9, 2024, the Court set March 1, 2025, as the Debtor's
20 deadline to file a disclosure statement and plan. (*See* Docket No. 206.) The Debtor's case is
21 large and complex, involving robust operations, approximately 800 pieces of "leased"
22 equipment, and a universe of over \$100 million in asserted claims, a significant portion of
23 which are disputed, contingent, and unliquidated. In these circumstances, the development of
24 a plan is a substantial undertaking. For example, preparation of the plan required an
25 agreement-by-agreement analysis of the Debtor's "leased" equipment in order to determine
26 whether such agreements are true leases or capital leases. Given the scope of the Debtor's
27 operations, assets, and liabilities, the development of a plan and plan projections takes
28 significant time. However, both the plan and plan projections are in process.

1 In addition to the foregoing, the Debtor's preparation of its disclosure statement and
2 plan was unexpectedly disrupted by the Trustee and Substantive Consolidation Motion
3 (defined below). The Trustee and Substantive Consolidation Motion was filed on February 7,
4 2025, and the Debtor's opposition was due on February 19, 2025. The Debtor's opposition
5 required the attention of the Debtor and its professionals at a time when they would have
6 otherwise worked on the preparation of the plan. Based thereon, the Court entered an order
7 granting the Debtor's request to extend the deadline to file a disclosure statement and plan to
8 March 14, 2025. (*See* Docket Nos. 322 and 332.) The Debtor will file its disclosure statement
9 and plan by the March 14, 2025 deadline. The Debtor believes that filing the disclosure
10 statement and plan will facilitate plan negotiations with creditors. The Debtor is engaged in
11 discussions with its primary commercial creditors.

12
13 **III. STATUS OF OPERATIONS**

14 The Debtor continues to operate in accordance with the orders of this Court. The Court
15 has authorized the use of cash collateral pursuant to six orders. (*See* Docket Nos. 72, 162, 211,
16 244, 256, and 268.) The Debtor negotiated consensual cash collateral terms with its primary
17 secured creditor, PNC Bank, N.A ("**PNC**"). Pursuant to a stipulation with PNC that was
18 approved by order entered on January 24, 2025, the Debtor is currently authorized to use cash
19 collateral through April 18, 2025, in accordance with the budget attached to that order as
20 **Exhibit 1**. (*See* Docket Nos. 255 and 268.)

21 The Debtor's operating cash flow and cash on hand have exceeded the amounts
22 projected in the approved budgets. As of February 14, 2025, the Debtor's cash on hand was
23 approximately \$11,141,952. The Debtor's cash on hand as of February 14, 2025, exceeded its
24 projected cash on hand as of that date by approximately \$1,154,096. From the Petition Date
25 through February 14, 2025, the Debtor generated positive cash flow of approximately \$6.9
26 million. That is, post-petition, in less than four months, the Debtor's cash on hand has
27 increased by approximately \$6.9 million.

1 **IV. COMPLIANCE WITH STATUTORY REQUIREMENTS**

2 The Debtor is in compliance with all of its duties under 11 U.S.C. §§ 521, 1106 and
3 1107. The Debtor's 341(a) meeting on creditors was completed on January 3, 2025. (*See*
4 Docket No. 242.) The Debtor has timely paid quarterly United States Trustee's fees and has
5 filed its monthly operating reports through December 2024. The Debtor's January 2024
6 monthly operating report will be filed shortly. Moreover, as discussed above, the Debtor will
7 file its disclosure statement and plan by the March 14, 2025, deadline.

8
9 **V. CLAIMS BAR DATE**

10 The claims bar date has passed. By order entered on December 9, 2024, the Court set a
11 bar date of 60 days following service of the bar date notice as the deadline for the Debtor to
12 serve written notice of the bar date. (*See* Docket No. 206.) On December 23, 2024, the
13 Debtor served written notice of the bar date. (*See* Docket No. 235.) Based on the date of
14 service, the bar date was February 20, 2025. (*See* Docket No. 232.)

15
16 **VI. THE TRUSTEE AND SUBSTANTIVE CONSOLIDATION MOTION**

17 On February 7, 2025, judgment creditors Jaime Rodriguez and Ana Lidia Gomez
18 (together, the "**Judgment Creditors**") filed the *Motion to Appoint a Chapter 11 Trustee*
19 *Pursuant to 11 U.S.C. § 1104(a); and a Motion to Substantively Consolidate Pino Tree*
20 *Services, Inc., Mowbray Waterman Property, LLC, and Phoenix Traffic Management, Inc.*
21 *With the Debtor's Bankruptcy Case* [Docket No. 286] (the "**Trustee and Substantive**
22 **Consolidation Motion**").

23 The Judgment Creditors assert a disputed claim. On February 7, 2025, the same day
24 that the Judgment Creditors filed the Trustee and Substantive Consolidation Motion, the
25 Debtor filed notices of intention to file motions for a new trial and judgment notwithstanding
26 the verdict in the state court action. The hearing on the Debtor's post-trial motions is April 3,
27 2025.

1 The Debtor and numerous parties filed oppositions to the Trustee and Substantive
2 Consolidation Motion. (*See* Docket Nos. 308, 310, 312, 314 and 345.) As set forth in the
3 Debtor's opposition, the Trustee and Substantive Consolidation Motion is premised on
4 misstatements of fact and misleading and unsupported allegations, all of which were made
5 without the type of careful inquiry and reasonable basis required under Rule 9011 of the
6 Federal Rules of Bankruptcy procedure. The Trustee and Substantive Consolidation Motion is
7 scheduled for hearing on March 5, 2025.

8
9 **VII. CONCLUSION**

10 The Debtor proposes a continued status conference approximately 120 days from the
11 March 13, 2025, status conference.

12
13 DATED: February 27, 2025

RAINES FELDMAN LITRELL LLP

14
15 By: /s/ Robert S. Marticello
16 ROBERT S. MARTICELLO
17 MICHAEL L. SIMON
18 *Counsel for the Debtor and Debtor-In-*
19 *Possession*
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25
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27
28

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

4675 MacArthur Ct., Suite 1550, Newport Beach, CA 92660.

A true and correct copy of the foregoing document entitled (*specify*): **CHAPTER 11 STATUS REPORT** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) 2/27/2025, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On (*date*) 2/27/2025, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) 2/27/2025, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

2/27/2025

Date

Ja'Nita Fisher

Printed Name

/s/ Ja'Nita Fisher

Signature

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

- Kenneth J Catanzarite kcatanzarite@catanzarite.com
- Jessica L Giannetta jessica@giannettaenrico.com, melanie@giannettaenrico.com
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lwageman@elkinskalt.com;1648609420@filings.docketbird.com;rzur@ecf.courtdrive.com

2. SERVED BY UNITED STATES MAIL:

(20 largest creditors)

Amtrust Financial Services, Inc.
903 Nw 65Th St. Ste 300
Boca Raton, FL 33487

The Goodyear Tire And Rubber Co.
P.O. Box 277808
Atlanta, GA 30384-7808

First Insurance Funding Corporation
450 Skokie Blvd Ste 1000
Northbrook, IL 60062-7917

Burtronics Business Systems
P.O. Box 11529
San Bernardino, CA 92423

Premium Assignment Corporation
dba IPFS
P.O. Box 412086
Kansas City, KA 64141-2086

Mobile Mini - William Scotsman
PO Box 91975
Chicago, IL 60693-1975

Peerless Network
433 W. Van Buren
Suite 410S
Chicago, IL 60607

Marlin Lease Servicing/Peac
P.O. Box 13604
Philadelphia, PA 19101-3604

Vestis
2680 Palumbo Dr

Lexington, KY 40509

The Toll Roads
Violations Department
Irvine, CA 92619

Oklahoma Turnpike Authority
Plate-Pay
PO Box 11255
Oklahoma City, OK 73136

Fastrak Violation Processing Dept
PO Box 26925
San Francisco, CA 94126

Velocity Truck Center
Los Angeles Truck Centers, LLC
Pasadena, CA 91189-1284

Grainger
Dept. 887538815
Palatine, IL 60038-0001

Linebarger Goggan Blair & Sampson
4828 Loop Central Drive
Suite 600
Houston, TX 77081

Kansas Turnpike Authority
PO Box 802746
Kansas City, MO 64180

Florida Dept of Transportation
PO Box 31241
Tampa, FL 33631

City of Los Angeles
Parking Violations Bureau
PO Box 30420
Los Angeles, CA 90030

North Texas Tollway Authority
PO Box 660244
Dallas, TX 75266